

COASTAL CONSERVANCY

Staff Recommendation

March 25, 2004

LAGUNA COAST ACQUISITIONS

File No. 04-009

Project Manager: Deborah Ruddock

RECOMMENDED ACTION: Authorization to (1) disburse up to \$800,000 to the City of Laguna Beach for the acquisition of the 36-acre Trinity Christian Center and 34-acre Wainwright properties adjacent to the Laguna Coast Wilderness Park (LCWP); and (2) disburse up to \$100,000 to the Laguna Canyon Foundation for acquisition expenses associated with future acquisitions near the LCWP.

LOCATION: City of Laguna Beach, County of Orange

PROGRAM CATEGORY: Public Access

EXHIBITS

Exhibit 1: Project Location and Site Maps

Exhibit 2: Regional Park Map

Exhibit 3: Letter from Orange County

Exhibit 4: Letters of Support

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31400-31409 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes:

1. The disbursement of an amount not to exceed eight hundred thousand dollars (\$800,000) to the City of Laguna Beach (“City”) for the acquisition of two properties adjacent to the Laguna Coast Wilderness Park (“LCWP”) commonly known as the Trinity and Wainwright properties, County of Orange Assessors Parcels Nos. 641-411-01, -09, -10, -11 (Trinity), and 632-081-11 (Wainwright), consisting of approximately 36 and 34 acres, respectively.
2. The disbursement of an amount not to exceed one hundred thousand dollars (\$100,000) to the Laguna Canyon Foundation for acquisition expenses associated with future acquisition of properties near the LCWP.

The following conditions apply to the disbursement of funds for property acquisition:

1. Prior to the disbursement of any Conservancy funds for the acquisition of each of the respective properties, the City shall submit for the review and approval of the Executive Officer of the Conservancy (“the Executive Officer”):
 - a. All relevant acquisition documents, including without limitation, an appraisal, purchase agreement, escrow instructions, environmental assessment, and title report.
 - b. Evidence that sufficient funds are available to complete the acquisition.
 - c. Evidence of commitment by the County of Orange to manage the properties as part of the Laguna Coast Wilderness Park for public access and for wildlife habitat.
2. The City shall pay no more than fair market value for each property, as established in appraisals approved by the Executive Officer.
3. The City shall permanently dedicate the property for open space, public access and habitat preservation, through an appropriate instrument approved by the Executive Officer.
4. The City shall acknowledge Conservancy and Proposition 12 funding by erecting and maintaining signs on the properties, the design and location of which have been approved by the Executive Officer.

No funds shall be disbursed to the Laguna Canyon Foundation under this authorization until the Executive Officer has approved in writing a work program, including a final budget and timeline; and any contractors that the grantee intends to use.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with Chapter 9 of Division 21 of the Public Resources Code (Sections 31400-31409) with respect to public access. The proposed acquisitions will connect important coastal watershed and scenic areas in the Laguna Coast Wilderness Park area.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 21, 2001.
3. The Laguna Canyon Foundation is a nonprofit organization existing under the provisions of Section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code.
4. The proposed project would serve a greater-than-local need.”

PROJECT SUMMARY:

Proposition 12 (the “Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000”) allocated \$12,500,00 to the Conservancy to acquire land connecting important coastal watershed and scenic areas in the Laguna Coast Wilderness Park (LCWP). Under the proposed authorizations, a portion of these funds totaling \$800,000 would be granted to the City of Laguna Beach to acquire the 36.02-acre “Trinity Property” and the 33.50-acre “Wainwright Property.” Another \$100,000 would be granted to the Laguna Canyon Foundation to finance acquisition costs associated with future Proposition 12 properties in the LCWP area.

Trinity and Wainwright Acquisitions

The Trinity and Wainwright properties are located in the Laguna Canyon Creek watershed, a coastal watershed, and lie immediately adjacent to LCWP. The properties offer important trail and greenbelt connections to the coast and to other parks and open space lands within the 19,000-acre South Coast Wilderness regional system of parks and preserves (Exhibit 2). Both properties are located in the coastal zone and both abut Laguna Canyon Road, a major regional coastal access route.

Trinity: Acquisition of the Trinity Property is considered crucial for access enhancement in the Regional Wilderness Park System. A 15-foot-wide fire road, with two public street connections, traverses the property. Alta Laguna Park, located at the terminus of the Trinity fire road outlet on Alta Laguna Boulevard, acts as a hub for the numerous trails in the South Coast Wilderness regional system of parks and preserves. Alta Laguna Park connects to trails adjoining Laguna Niguel, Aliso Viejo, El Toro, the coastal city of Dana Point, and other cities either adjacent to or near the park system.

The City of Laguna Beach General Plan/Local Coastal Program identifies the Trinity property as having “high value” habitat, signifying sensitive and diverse indigenous species with a high priority for conservation. The property also features a vital wildlife link to the surrounding wilderness preserves. A few of the many species of flora and fauna on the property include coastal sage scrub, chaparral, toyon, hummingbird sage, raccoon, fox, bobcat, and numerous species of birds and rodents.

Wainwright: For more than 100 years, the Wainwright property has been a favorite subject of plein-air painters who flocked to Laguna Beach for its unique topography and pristine wilderness. The property’s steep dramatic cliffs and expansive views of coast, canyon, and ridgeline are a compelling subject, and the large number of artistic works that seek to capture the property’s impact are a testament to its enduring value for the community and the state.

The Wainwright property has a narrow fire road, approximately eight feet wide, that connects to several popular regional trails. It also has a public street connection to Laguna Canyon Road, a key coastal access route.

Like the Trinity property, the Wainwright property connects to the broader South Coast Wilderness regional system of parks and preserves whose trails serve residents of inland and coastal cities. Alta Laguna Boulevard and the adjacent public park, Alta Laguna Park, constitute a major hub in the regional park system, providing an efficient way to access trails to both ocean and inland wilderness areas. Accordingly, like the adjacent Trinity property, public acquisition of the Wainwright property is crucial for protecting and enhancing coastal and wilderness access in the South Coast Wilderness regional system of parks and preserves.

The City’s General Plan/Local Coastal Program identifies the Wainwright Property as having “very high” and “high” habitat value. Rare amidst the generally arid climate of southern California, the Wainwright property features a thriving riparian habitat—supported by the property’s jagged limestone cliffs, steep ravines, and sun-shaded location. The property also features a vital wildlife link to the surrounding wilderness preserves.

Using funds provided by the Conservancy, the City will purchase the Trinity and Wainwright properties from the Trust for Public Land (TPL), which is providing real estate services under contract with Laguna Canyon Foundation. TPL has concluded a purchase agreement to acquire

the Trinity property for \$500,000. The agreement expires in June 2004. TPL also has secured a one-year option to purchase the Wainwright property for \$300,000. The option expires in February 2005. Both purchase prices are below fair market value as determined by independent appraisals. In each case, TPL expects to acquire title from the willing sellers and immediately convey the property to the City. Following acquisition, the City intends to lease the properties for a nominal amount to the County of Orange for management as part of the LCWP. The County manages the 6,500-acre LCWP and has expressed its willingness to manage the additional properties (Exhibit 3).

The Trinity and Wainwright acquisitions are part of a series of acquisitions intended to augment the LCWP and to complete assemblage of the South Coast Wilderness regional open space greenbelt and trail system. The Conservancy authorized funding of \$2,435,000 for acquisition of the 10.6-acre Rossmoor property in the City of Laguna Woods in May 2002 (see the “Realization of Prior Conservancy Goals” section below for details). With the approval of the project that is the subject of the proposed authorizations, approximately \$9.1 million of Proposition 12 funding appropriated to the Conservancy would remain available for projects. Project proponents expect to seek Proposition 12 funding in May of 2004 to acquire a property that is contiguous with the Trinity and Wainwright properties and in the vicinity of the LCWP.

Laguna Canyon Foundation

The Foundation, the City, and the County of Orange have been working collectively with the public since 2001 to identify and prioritize acquisition opportunities consistent with the Proposition 12 appropriation. Following an extensive public outreach process, agency and community support coalesced around an Acquisition Priorities Matrix comprising approximately 35 properties. Tapping a private grant of \$100,000 to cover acquisition expenses for Proposition 12 implementation, the Foundation’s board of directors in September 2002 authorized selection of TPL to perform real estate services. TPL has spent approximately \$27,000 of Foundation funds for staff time, mapping and photography, preliminary title reports, environmental assessments, and travel expenses associated with the Trinity and Wainwright properties. To assure that sufficient funds remain readily available to cover acquisition expenses for future Proposition 12 properties, staff recommends a grant to the Laguna Canyon Foundation of up to \$100,000.

Site Description: The Trinity and Wainwright properties are located in the Laguna Canyon Creek watershed, a coastal watershed, adjacent to the Laguna Coast Wilderness Park (LCWP) and lie south of Laguna Canyon Road. The properties are irregularly shaped and are steeply sloped. Both properties are in excellent physical condition and, with the exception of dirt fire road extensions, feature essentially untouched chaparral and coastal sage scrub habitat. The Wainwright property has enormous sandstone cliffs—over 80 feet tall at some points.

The Trinity property is adjacent to Canyon Acres Road, which provides convenient access to the coast less than a mile away. There is a direct connection from Canyon Acres Road to the dirt road on the property. Immediately adjacent to and east of the Trinity property, the fire road extends into the undeveloped Chao property, a 64-acre property currently in negotiation with TPL as a high priority acquisition for addition to the LCWP. After passing through the Chao property, the road connects to the South Coast Wilderness regional system of parks and preserves before joining Alta Laguna Boulevard. Parking on both Canyon Acres Road and Alta Laguna Boulevard is adequate.

The Wainwright property is adjacent to Laguna Canyon Road, which connects west to the ocean and downtown Laguna Beach and east to two major freeways and several inland cities. The road is approximately 50 yards from the terminus of the Wainwright fire road, which can be accessed by walking through a vacant, city-owned lot purchased with City open space funds. Parking can be found on the side of Laguna Canyon Road or in an adjacent large parking lot..

The Wainwright fire road extends uphill from its terminus at Laguna Canyon Road. The property features expansive views of the ocean, LCWP and sandstone cliffs. Rising several hundred feet from the canyon floor, the fire road emerges at the border of the Chao property. From the road along the Chao property, one may connect with the Trinity property on the west or to the Laguna Coast Wilderness Park on the east and north. Directly southeast the Wainwright fire road passes through the LCWP before terminating at Alta Laguna Boulevard.

Project History: The process of assembling a greenbelt for habitat and public access up and down the coast and inland from the City of Laguna Beach began approximately 35 years ago. Most of the greenbelt, known broadly as the South Coast Wilderness, was once part of the Irvine Ranch. A number of tenacious citizen groups formed to prevent development, raise funds for acquisition, pass local initiatives and tax measures, and assist with management of property acquired. These groups include the Citizens' Town Planning Association, Laguna Greenbelt Inc., Laguna Canyon Foundation, Laguna Canyon Conservancy, Village Laguna, and the Coastal Greenbelt Authority. Over the years, through development and purchase agreements, city, county, and state agencies have purchased other properties.

Proposition 12, (the "Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000") allocated \$12,500,000 to the Coastal Conservancy to fund acquisition of land connecting important coastal watershed and scenic areas in the Laguna Coast Wilderness Park. The Laguna Canyon Foundation, the City of Laguna Beach, and the County of Orange have been working together and with the public since bond passage to identify and prioritize acquisition opportunities. The 2001 City of Laguna Beach Open Space Report identified fee acquisition of the Trinity and Wainwright properties as top priorities because of their proximity to the Laguna Coast Wilderness Park and their value for public access, habitat, and visual resources. In April 2003 the Laguna Canyon Foundation received a private grant from a local donor to assist with Proposition 12 acquisitions. Subsequently the Foundation contracted with the Trust for Public Land (TPL) for real estate services. TPL entered into a Purchase Agreement with Trinity Christian Center of San Marcos, Inc. in July of 2003 for a purchase price of \$500,000. The agreement expires in June 2004. TPL concluded a one-year option agreement with Clair R. Wainwright in early February 2004 to purchase the land for \$300,000.

PROJECT FINANCING:

Trinity/Wainwright land acquisition:

Coastal Conservancy:		
Trinity Property	\$500,000	
Wainwright Property	<u>300,000</u>	
Subtotal		\$800,000

Trinity/Wainwright acquisition expenses

Laguna Canyon Foundation	<u>27,000</u>	
Subtotal		27,000

Acquisition expenses for future properties

Coastal Conservancy	100,000	
Laguna Canyon Foundation	<u>73,000</u>	
Subtotal		<u>173,000</u>

Total Project Cost		\$1,000,000
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The expected source of Conservancy funds for the proposed project is a FY 2001/02 appropriation to the Conservancy of funds allocated for Laguna Coast Wilderness Park acquisitions in the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Act of 2000 (Proposition 12).

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

This project is consistent with the Conservancy's enabling legislation, Division 21 of the Public Resources Code, specifically with Chapter 9 pertaining to public coastal access.

Under Section 31400, the Conservancy has a principal role in the implementation of a system of public accessways to and along the coast. The Conservancy's funding of the Trinity and Wainwright acquisitions is consistent with Chapter 9 because of the opportunities for trail connectivity to the coastline and to the thousands of acres of wilderness in the South Coast Regional Wilderness area.

Under §31400.1, the Conservancy may award grants to any public agency to acquire land for public access purposes to and along the coast if the Conservancy has determined that the accessway will serve more than local public needs. As discussed in the project summary and site description, the Trinity and Wainwright properties will not only provide coastal and wilderness access to local residents of Laguna Beach, but also to thousands of residents in the surrounding cities, which are connected to the properties through the South Coast Regional Wilderness trail system. The Trinity and Wainwright properties will provide a crucial regional trail link to an easy coastal accessway, Canyon Acres Road, and to additional coastal wilderness lands in the adjacent Laguna Coast Wilderness Park and beyond.

Under §31400.2, the Conservancy may provide up to the total cost of the acquisition of interests in lands by a public agency, with the amount of funding determined by the total amount available for coastal access projects, the fiscal resources of the applicant, and the urgency of the project

relative to other eligible projects. Consistent with this section, the amount of proposed Conservancy funding has been determined with an understanding of the estimated costs of acquiring additional properties for inclusion in the LCWP; the total amount available (\$10,065,000) from the Proposition 12 allocation for Park acquisitions, the readiness of the sellers relative to owners of other priority properties, and the financial limitations of the grantee.

Under §31400.3, the Conservancy may provide such assistance as is required to aid public agencies and nonprofit organizations in establishing a system of public coastal accessways, and related functions necessary to meet the objectives of Division 21. Consistent with this section, the City of Laguna Beach and the Laguna Canyon Foundation will use authorized funds to acquire properties necessary for the protection and enhancement of key trail links in a coastal wilderness park system.

**CONSISTENCY WITH CONSERVANCY'S
STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 2, Objective A** of the Conservancy's Strategic Plan, the proposed acquisitions in fee will protect open space, outstanding visual resources, and existing accessways. The Trinity and Wainwright properties feature accessways that link to the broader South Coast Wilderness regional system of parks and preserves trail system serving multiple communities from south of Newport Beach to Dana Point.

Consistent with **Goal 4, Objective A**, acquisition of the Wainwright property will protect a significant wildlife corridor, and acquisition of both the Wainwright and Trinity properties will preserve scenic vistas and open space near a major urban center.

Consistent with **Goal 5, Objective A**, the proposed project will result in the acquisition in fee of approximately 70 acres of high quality coastal sage scrub, chaparral, toyon, and rare riparian habitat.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** The Laguna Canyon Foundation, the City of Laguna Beach, and the County of Orange support the project. See the letter of support from Orange County (Exhibit 3) and Letters of Support (Exhibit 4).
4. **Location:** The proposed project would be located within the coastal zone of the City of Laguna Beach.

5. **Need:** The City of Laguna Beach, which has severely limited general fund monies available, is unable to acquire the properties without funds provided by the Conservancy. Absent the proposed acquisitions, the current property owners could pursue limited residential development consistent with the zoning.
6. **Greater-than-local interest:** As discussed in various sections above, the Trinity and Wainwright properties feature links to the broader South Coast Wilderness regional system of parks and preserves trail system serving multiple communities from south of Newport Beach to Dana Point.

Additional Criteria

13. **Realization of prior Conservancy goals:** The Coastal Conservancy has long assisted with planning and restoration in the area of southern Orange County known as the South Coast Wilderness (Exhibit 2). In the late 1970s, the Conservancy helped design the Aliso Greenbelt. Later, the Conservancy provided funding for restoration of habitat in the Laguna Lakes, Orange County's only natural freshwater lakes in what is now known as the Laguna Coast Wilderness Park (LCWP). In 2002, the Coastal Conservancy worked with State Parks on disposition of the cottages at Crystal Cove. Along the Laguna coast, the Conservancy has assisted with many beach access projects.

Proposition 12 allocated funds to the Conservancy to acquire property in this region. In May 2002, the Conservancy provided \$2,435,000 to the City of Laguna Woods to acquire the 10.6-acre Rossmoor parcel adjacent to the Laguna Coast Wilderness Park north of Laguna Canyon Road; the City acquired the property in 2003 for inclusion in the LCWP. See also the "Project Summary" section for additional details.

CONSISTENCY WITH THE COASTAL ACT:

The proposed project is consistent with the following specific policy of the Coastal Act, Public Resources Code Sections 30000 *et seq.*:

Consistent with §30251, acquisition of the Trinity and Wainwright properties will protect significant scenic and visual qualities of the area as a resource of public importance.

Section 30500(a) mandates that "each local government lying, in whole or in part, within the coastal zone shall prepare a local coastal program for that portion of the coastal zone within its jurisdiction." Consistent with this section, the City of Laguna Beach has a certified Local Coastal Program and this project is consistent with this program.

Consistent with §31409, the proposed authorization for land acquisition will assist the City of Laguna Beach in expanding an inland trail system that will link to the California Coastal Trail.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES

The proposed project is consistent with the City of Laguna Beach's General Plan/Local Coastal Program.

Topic 5 Parks, Policy 5B of the GP/LCP Open Space/Conservation (OS/C) Element calls for the City to support recreational use of open space lands, where environmentally feasible, with recreational access limited to passive activities such as nature trails and wildlife observation areas.

Topic 6 Trails of the OS/C Element discusses the need to establish a network of trails throughout the City interconnecting with proposed and existing trails within the regional wilderness park system. Policy 6C calls for the City to pursue funding for the acquisition, development, operation and maintenance of a local trail system. Policy 6L calls for the City to provide public pedestrian access to Open Space/Recreation areas, except where it is inconsistent with public safety or protection of fragile coastal resources. Policy 6M calls for the trail network in hillside areas to be oriented to hiking or passive pedestrian recreational use.

Topic 7 Visual Resources discusses preservation of the City's natural open space on the basis of its scenic quality as an issue of special importance to the community. Policy 7I calls for public acquisition and management of notable geologic features and vista sites.

Topic 8 Vegetation and Wildlife Resources Policy 8A calls for preservation of Canyon Wilderness throughout the City; the Trinity and Wainwright properties are located within canyons. Policy 8M calls for preservation of a continuous open space corridor within the hillsides in order to maintain animal migration opportunities.

COMPLIANCE WITH CEQA:

The proposed acquisitions are exempt from the California Environmental Quality Act (CEQA) under 14 Cal. Code of Regulations Section 15325 in that they constitute transfers of ownership to preserve open space and habitat. They are also exempt under §15316, which exempts conveyances to establish a park where the land is in a natural condition and the management plan has not been prepared or calls for retaining the land in a natural condition. Here, the acquisitions are intended as part of the Laguna Coast Wilderness Park, and the County's General Development Plan for the Park proposes to keep the area in a natural condition.

The proposed authorization for the Laguna Canyon Foundation for acquisition expenses does not have the potential for resulting in a physical change in the environment, and, thus, under §15378, is not a "project" for purposes of CEQA.